

Virgin Islands Economic Development Commission
Decision Meeting of Tuesday, July 16, 2024
Summary Report

During the Virgin Islands Economic Development Commission (“VIEDC”) Decision Meeting on Tuesday, July 16, 2024, the Governing Board heard recommendations from the VIEDC Team regarding eight (8) application matters, and voted as follows:

Regular Session:

➤ **Action Items:**

❖ **Application:**

1. 340 Worldwide, LLP – Admission of Disregarded Entity & Property Tax Exemption

On July 19, 2024, 340 Worldwide, LLP (“340WW”) filed an application with the Virgin Islands Economic Development Commission (“VIEDC”) for tax incentive benefits. 340WW shall own and operate a Category IV – Designated Services Business for its provision of business management, consulting, investment management, venture capital, back-office support, and family office services. 340WW’s clients will be located outside the USVI. 340WW may be provided through one or more wholly owned, disregarded subsidiaries. 340WW is located on the island of St. Thomas.

On May 6, 2024, 340WW submitted a petition requesting modifications to its grant of incentives.

The Governing Board voted (6 – 0) to:

1. Acknowledge and approve the establishment of 340 WORLDWIDE RE, LLC as a wholly owned disregarded entity of 340 Worldwide, LLP pursuant to V.I. CODE ANN. tit. 29, §714(c).
2. Acknowledge and approve a one hundred percent (100%) real property tax exemption on the below-listed real properties to be included in the 340 Worldwide, LLP VIEDC Certificate at Appendix B:

<u>DESCRIPTION</u>	<u>PARCEL ID NO.</u>
15 & 15B Rem. Smith Bay No. 1, 2 & 3 East End Quarter St. Thomas, U.S. Virgin Islands	1-05804-0318-00
2 Smith Bay 15A St. Thomas, U.S. Virgin Islands	1-05804-0322-00

3. Require the VIEDC Certificate shall reflect the herein-referenced changes effective January 1, 2025.

2. Achilles Consulting, LLP – Amended Grant of Incentives

On December 20, 2023, Achilles Consulting, LLP (“Achilles”) filed an application with the Virgin Islands Economic Development Commission (“VIEDC”) for tax incentive benefits. Sail Rock shall own and operate a Category IV – Designated Services Business for its provision of management and consulting services to include operational consulting, accounting, and finance advisory services, regulatory and compliance advisory services, and family

office services. All of Achilles' clients will be located outside the USVI. Achilles' services may be provided through one or more wholly owned, disregarded subsidiaries. Achilles is located on the island of St. Thomas.

On May 6, 2024, Achilles submitted a petition requesting modifications to its grant of incentives.

The Governing Board voted (___ – 0) to:

1. Approve an Amended Grant of Tax Incentives to PL Partners, which shall now state, in relevant part, as follows:

Applicant/Beneficiary shall contribute a minimum of Thirty-five Thousand Dollars (\$35,000.00) annually to charitable causes in the Territory commencing in the first twelve months following the commencement of incentives. This amount shall be increased by One Thousand Five Hundred Dollars (\$1,500.00) annually and capped at Fifty Thousand Dollars (\$50,000.00). Of the overall amount, at least Ten Thousand Dollars (\$10,000.00) shall be contributed toward educational assistance annually, fifty-five percent (55%) of which shall be directed to the Department of Education for public school programs and initiatives. The remaining contribution amount shall be directed to broad-based charitable causes and organizations in the USVI.

2. Require all other terms and provisions of the Grant of Tax Incentives approved by VIEDC at the Decision Meeting on April 11, 2024 to remain in full force and effect.

3. Centripetal VI, LLLP – Admission of Disregarded Entity & Property Tax Exemption, and In-Kind Contributions

On August 4, 2021 Centripetal VI, LLLP ("Centripetal") filed an application with the Virgin Islands Economic Development Commission ("VIEDC") for tax incentive benefits to own and operate a Category II - Manufacturing Company and also owns and operates a Category IV - Designated Service business developing, manufacturing and offering technical support for state-of-the-art cyber security solutions for customers across the globe. Centripetal is located on the island of St. Croix.

On August 1, 2023, Centripetal submitted a petition regarding its charitable contributions and on September 1, 2023 Centripetal submitted a petition that included notices of changes in its special provisions relative to its defined contribution plan and insurance provider, requested inclusion of owners in its employment count, and real property exemptions.

MOTION 1

The Governing Board voted (6 – 0) to:

- Modify the charitable contributions provision in Centripetal VI, LLLP's VIEDC Certificate to now state as follows:

Beneficiary shall contribute a minimum of Fifty Thousand Dollars (\$50,000.00) annually through cash or in-kind contributions, to non-profit organizations, including educational institutions in the U.S. Virgin Islands that focus on the education of local students and the well-being of U.S. Virgin Islands residents, with annual increases of Ten Thousand Dollars (\$10,000.00) in each of the first five (5) years of operations. Of the overall amount, Beneficiary shall contribute fifty percent (50%) toward public school programs and initiatives.

No more than 50% of charitable contributions shall be provided as in-kind. The valuation of the in-kind contribution shall be based on fair market value in accordance with Internal Revenue Service guidelines.

MOTION 2

The Governing Board voted (6 – 0) to:

1. Acknowledge and approve the establishment of CVI REH 3, LLC as a wholly owned disregarded entity of Centripetal VI, LLLP pursuant to V.I. CODE ANN. tit. 29, § 714(c).
2. Require CVI REH 3, LLC shall hold the real property used to operate Centripetal VI, LLLP office space.
3. Require the Certificate shall be amended to reflect the admission of wholly owned disregarded entity, CVI REH 3, LLC effective May 19, 2022.
4. Approve a one hundred percent (100%) real property tax exemption for the below-listed real property of CVI REH 3, LLC to be included in the Centripetal VI, LLLP Certificate at Appendix B commencing on January 1, 2024 and terminating on September 19, 2051.

<u>DESCRIPTION</u>	<u>PARCEL ID NO.</u>
16-BA & 16-BAA Church Street Christiansted, U.S. Virgin Islands	2-04903-1312-00

5. Require all other terms and provisions of Centripetal VI, LLLP’s Certificate Tax Incentives shall remain in full force and effect.

4. Parach Resource Management, LLC – New Application

On March 25, 2024, Parach Resource Management, LLC (“Parach”) filed an application with the Virgin Islands Economic Development Commission (“VIEDC”) for tax incentive benefits. Parach shall own and operate a Category IV – Designated Services Business to provide family office and management and consulting and back-office services to clients located outside the USVI. Parach is applying as a small business pursuant to V.I. CODE ANN. tit. 29, § 708b. All of Parach’s clients will be located outside the USVI. Parach is located on the island of St. Thomas.

Parach commits to employ a minimum of two (2) full-time employees, excluding the owner, within one (1) year of the date that its Certificate is signed by the VIEDC Chairman, or within one (1) year of the commencement of benefits, whichever is later. Parach also commits to making a minimum capital investment of \$20,000.00 in the benefitted business. Parach further agrees to meet all statutory and special conditions, and other applicable requirements for the grant of tax incentive benefits.

The Governing Board voted (6 – 0) to:

1. Find Parach Resource Management, LLC is deserving of a grant of tax incentives.
2. Grant Parach Resource Management, LLC tax exemptions at one hundred percent (100%) of the incentives authorized by law under the VIEDC Small Business Program for a period of 10 years in accordance with the provisions of V.I. CODE ANN. tit. 29, chapter 12.

- Require services provided to U.S. Virgin Islands clients and family office clients who are not permissible “family clients” in accordance with the U.S. Securities and Exchange Commission’s Family Office Rules to be specifically excluded from tax incentive.

5. Perfected Claims, LLC – Change in Ownership Structure/Admission of New Members

Perfected Claims, LLC (“Perfected”) was granted Virgin Islands Economic Development Commission (“VIEDC”) tax incentive to own and operate a Category IV – Designated Service Business providing business management and consulting, data management, claims processing and management, and public policy consulting and advocacy services to its clients. In addition, Perfected also engages in family office services pursuant to V.I. CODE ANN. tit. 29, § 708(a). Perfected will serve clients located outside the USVI with a focus on providing an evaluation center for law firms to assess potential victims of mass torts and to obtain the necessary records and other supporting material to support their claims. Perfected is located on St. Croix.

On March 21, 2024, Perfected submitted a request to revise Appendix A1 of its Certificate to change the ownership structure.

The Governing Board voted (6 – 0) to:

- Acknowledge and approve the change in ownership structure of of Perfected Claims LLC as follows:

MEMBER	ADDRESS	OWNERSHIP
John Christian Archer II	St. Thomas, VI 00802	100% Class A
Tyler B. Chalfin	St. Thomas, VI 00802	25% Class B
Sandra D. Martinez	St. Thomas, VI 00802	25% Class B
William T. Samson	St. Thomas, VI 00802	25% Class B
Spencer D. Zack	St. Thomas, VI 00802	25% Class B

- Require all other terms and provisions of the VIEDC Certificate executed by the VIEDC Chairman on July 18, 2022 shall remain in full force and effect.
- Require a First Amended Certificate of Tax Incentives to be executed reflect the herein referenced changes to Appendix A1 effective December 1, 2023.

6. Shah Holdings, LLP – New Application

On April 3, 2024, Shah Holdings, LLP (“Shah”) filed an application with the Virgin Islands Economic Development Commission (“VIEDC”) for tax incentive benefits Shah shall own and operate a Category IV – Designated Services Business providing management and consulting services including business management and consulting services to clients within the nutrition industry, providing supply chain advisory services, technology consultation and investment management (private merchant banking/venture capital) and family offices. Shah Holdings may also invest its earnings for its own benefit and receive capital gains and effectively connected income on same. All of Shah’s clients will be located outside the USVI. Shah ’s services may be provided through one (1) or more wholly owned, disregarded subsidiaries. Shah is located on the island of St. Thomas.

Shah commits to employ a minimum of five (5) full-time employees, including two (2) owners within one (1) year of the date that its Certificate is signed by the VIEDC Chairman, or within one (1) year of the commencement of

benefits, whichever is later. Shah also commits to making a minimum capital investment of \$100,000.00 in the benefitted business no earlier than 12 months prior to the date the application is deemed completed and completed within one (1) year from the date the Chairman signs the VIEDC Certificate or one (1) year from commencement of tax incentives, whichever is later. Shah further agrees to meet all statutory and special conditions, and other applicable requirements for the grant of tax incentive benefits.

The Governing Board voted (6 – 0) to:

1. Find Shah Holdings, LLP is deserving of a grant of tax incentives.
2. Grant Shah Holdings, LLP tax exemptions at one hundred percent (100%) of the incentives authorized by law for a period of 20 years in accordance with the provisions of V.I. CODE ANN., tit 29, chapter 12.
3. Require services provided to U.S. Virgin Islands clients and family office clients who are not permissible “family clients” in accordance with the U.S. Securities and Exchange Commission’s Family Office Rules to be specifically excluded from tax incentive.

7. St. John Concrete, LLC – St. John Concrete, LLC

On March 9, 2020, St. John Concrete, LLC (“STJ Concrete”) filed an application with the Virgin Islands Economic Development Commission (“VIEDC”) for tax incentive benefits. STJ Concrete shall own and operate a Category II – Manufacturing Business for its operation of a concrete manufacturing, sales and delivery facility on the island of St. John. STJ Concrete is located on the island of St. John.

STJ Concrete commits to employ a minimum of 14 full-time employees, including two (2) owners, within one (1) year of the date that its Certificate is signed by the VIEDC Chairman, or within one (1) year of the commencement of benefits, whichever is later. STJ Concrete also commits to making a minimum capital investment of \$250,000.00 in the benefitted business commencing no earlier than 12 months prior to the date the application is deemed completed and completed within one (1) year from the date the Chairman signs the VIEDC Certificate or two (2) years from commencement of benefits, whichever is later. STJ Concrete further agrees to meet all statutory and special conditions, and other applicable requirements for the grant of tax incentive benefits.

The Governing Board voted (5 – 0 – 1) to:

1. Find St. John Concrete, LLC is deserving of a grant of tax incentives.
2. Grant St. John Concrete, LLC tax exemptions at one hundred percent (100%) of the incentives authorized by law for a period of 20 years in accordance with the provisions of V.I. CODE ANN., tit 29, chapter 12.
3. Require tax incentives to commence no earlier than January 1, 2023.
4. Require retail business sales, contractual services, and other activities not related to the manufacturing, sale, or delivery of concrete to be specifically excluded from tax incentives.

8. Sunshine Shopping Center, Inc. – Admission of Shareholder

Sunshine Shopping Center, Inc. (“Sunshine”) was granted Virgin Islands Economic Development Commission (“VIEDC”) tax incentive to own and operate Category III – Shopping Center located in Estate Cane on St. Croix. Sunshine is located on St. Croix.

On January 27, 2022, Sunshine submitted a petition to request a change in its ownership structure.

The Governing Board voted (5 – 0 – 1) to:

1. Acknowledge and approve the change in ownership structure of Sunshine Shopping Center, Inc. with the removal of owner, Safi I. Yusuf who transferred his share of 26.7334% to Hatim Yusuf pursuant to 29 V.I.C. §714(b).
2. Require the removal of Safi Yusuf to be effective June 15, 2020.
3. Require the Certificate of tax incentives to be amended to reflect the removal of owner, Safi I. Yusuf.
4. Deny without prejudice the petition by Sunshine Shopping Center, Inc. for the admission of Hatim Yusuf as a shareholder for VIEDC tax exemptions, after having duly considered the facts including but not limited to Hatim Yusuf’s presentation to the Governing Board on August 29, 2023, for the following reasons:
 - a. There has been no significant change in the facts regarding Hatim Yusuf since his August 29, 2023 presentation.
 - b. Although the Department of Homeland Security indicated via letter that Hatim Yusuf is no longer required to go through enhanced screening procedures at airports when traveling, the lawsuit requesting that Hatim Yusuf be removed from the Terrorist Screening Database/Terrorist Watchlist is still pending in the District Court of the Virgin Islands.
 - c. There has been no ruling from the Third Circuit Court of Appeals on Sunshine Shopping Center, Inc.’s Petition for Writ of Mandamus.
 - d. At this time, there is no perceived negative impact to Hatim Yusuf from this decision under this Economic Development Program due to Sunshine Shopping Center, Inc. operating at a loss from 2020 to 2022. Moreover, VIEDC is not in receipt of additional records from Sunshine Shopping Center, Inc. that indicate a change in its financial standing.
 - e. Although Hatim Yusuf is noted as an owner of Sunshine Shopping Center, Inc. in its corporate documents, he will not be listed as an owner eligible for tax incentives on the VIEDC Certificate.
5. Require all terms and provisions of the Sunshine Shopping Center, Inc.’s Certificate of tax incentives shall remain in full force and effect.
6. Acknowledge Sunshine Shopping Center, Inc. may resubmit its petition to VIEDC for admission of Hatim Yusuf as an owner for tax exemption purposes upon a substantive change in, or resolution of his case before the District Court.

❖ **Compliance:**

- **Centripetal VI, LLLP – Employee Pension Plan & Capital Investment Extension**
 - ✓ *Removed from the agenda pending receipt of additional information form Beneficiary.*